



**Experience Co Limited (ASX Code: EXP)
2021 Annual General Meeting
Chairman's Address - 27 October 2021**

FY21 was another extraordinary year, not only for Experience Co but on a global scale with Covid-19 impacting the tourism industry and our business for a significant part of the financial year.

The financial year commenced with the re-opening of operations in most jurisdictions and all experiences were operational by the end of the first half of FY21.

Intermittent lockdowns in key jurisdictions, state border closures and no international tourism impacted trading volumes and the momentum of the business during FY21. Encouragingly, as state lockdowns and border restrictions eased, domestic demand returned quickly, and the business demonstrated its ability to re-open swiftly and capitalise on this demand. We are confident that this trend will continue.

A reflection of the impact of the pandemic on the Group's earnings, the Group delivered Underlying EBITDA of \$6.8 million in FY21. Despite the challenges facing the business and industry as a whole, completion of the business simplification initiatives and delivery of the established divestment strategy stood the business in good stead. Together with disciplined cash management, net debt was reduced to \$2.8 million at 30 June 2021, ending the year in a more robust financial position than was originally anticipated. Management maintained its focus on positioning the core business to respond quickly as demand allowed.

The Group welcomed the Government initiatives such as Jobkeeper (Australia), the Strategic Tourism Asset Protection Program (New Zealand) and Queensland Tourism Icons Program – all of which enabled EXP to support its workforce and retain valuable skills and experience within the business so that the business could return to operations quickly and efficiently in a continuous changing operating environment.

Understanding the benefits that improved efficiencies and customer experience deliver for the business and our customers, during the year, the business enhanced its reservation and check-in processes.

Reinforcing the Group's dedication to health and safety, an online safety portal was rolled out throughout the business. In addition, the company continues to adopt strict health and safety measures including those mandated by Government to ensure the health and safety of our employees, customers, contractors and other stakeholders.

Acknowledging the significant impact on the community, particularly during the pandemic, the Group continued to develop its community support initiatives which included: Partnering with Mental Health Research agency, Black Dog Institute and Stellar Experiences which provide experiences for young people with disabilities.

The Group remains committed to its initiatives to protect and promote best practice environmental sustainability and minimise the impact of its operations on the environment. Supporting reef generation, the Group acknowledges the importance of its ongoing partnership and the work done with Citizens of the Great Barrier Reef.

Investing for the Future

At the 2020 AGM, I announced that the Group had been awarded a \$3 million contribution from the Queensland Government for the construction of a new pontoon on the Great Barrier Reef. I am pleased to announce that construction is nearing completion and the pontoon is expected to be launched in early 2022. This project forms part of the Dreamtime Island vision featuring world class tourism facilities and activities and providing sustainable training and employment pathways for the indigenous people in the region. In conjunction with the Queensland Government, EXP's investment in this initiative will importantly attract tourists to the region, and the launch of this state of the art pontoon, will be even more compelling in a post pandemic environment.

Harnessing existing capital, skill base and innovation, the development of a unique and much sought-after Heli Skydiving experience over Surfers Paradise, QLD in partnership with Seaworld Helicopters added another unique offering to already popular urban skydiving experiences at St. Kilda, Melbourne and Langley Park, Perth.

Management's focus on product and customer diversification and expansion, growing geographic footprint and increasing earnings capability culminated in the acquisition of the 'prestigious' Wild Bush Luxury business in July 2021 and the imminent settlement of the Maria Island Walk business. These acquisitions saw the beginning of the Group's Premium Adventure sector. Although not immune to the impacts of Covid-19, an increasing demand for nature-based activities and strong forward bookings, demonstrate that these businesses are expected to continue to deliver increased earnings under the EXP banner as domestic and international customers favour outdoor activities after extended periods of lockdown.

Recapping the most recent developments, I am delighted to have announced that EXP successfully transacted to acquire Australia's leading operator of zip-lining and rope obstacle courses in tree canopies, Trees Adventures, complementing the Group's growing portfolio. Equally pleasing was the support of existing and new investors, including that of the Board and Executive Key Management Personnel, for the accelerated non-renounceable entitlement offer, raising a total of A\$55 million to fund the acquisition of Trees Adventures including related transaction costs, provide additional working capital and strengthen EXP's balance sheet for further growth in line with the Group's growth strategy. Completion of the acquisition is on track for November 2021.

As part of the acquisition of Wild Bush Luxury, we are pleased that founder Charles Carlow joined the EXP Senior Management team as General Manager of this sector. On completion of the Trees Adventures business, co-founder Nicolas Dansin will also join the Senior Management team. Securing these leaders in their businesses ensures a smooth integration into EXP, continuity of senior leadership of the respective businesses and complements EXP's already experienced Senior Management team.

The Senior Management Team, led by CEO John O'Sullivan and the broader EXP team members have continued to demonstrate their commitment and resilience in navigating the business through its most challenging period. They succeeded in maintaining the core business and continue to deliver world class experiences to our customers while ensuring the health and safety of all team members and customers. Positioning the business for ongoing growth and expansion, minimising reliance on single markets and improving earnings quality, the recent acquisitions - Wild Bush Luxury and Maria Island Walks, and the impending Trees Adventures business demonstrates the Senior Leadership's ability and determination to advance the strategic growth of the business.

Outlook

FY22 commenced with extended lockdowns in NSW and VIC and metropolitan South East QLD which will impact earnings into the first half of FY22. Notwithstanding that external factors associated with Covid-19 may impact operations and volume in the near term, the Board and Management are optimistic for the business as restrictions are eased domestically and internationally. Each of the businesses is positioned to re-open operations in line with the easing of restrictions and recent announcements that the NSW, VIC and QLD borders will re-open prior to the peak December / January holiday period, buoys this optimism. Strong domestic demand following easing of restrictions and border closures, and earnings from newly acquired businesses, Wild Bush Luxury and Maria Island Walks and the anticipated Trees Adventures to complete in November 2021, are expected to provide increased earnings growth, based on a normal trading environment.

Complemented by the recent acquisitions, as one of Australia and New Zealand's leading adventure experience businesses with experienced teams that are best in class, EXP delivers world class unique experiences to our customers. As Australia moves into a 'living with Covid-19' phase, we expect international tourism to follow. International visitation is anticipated to return from 2022, as consumers look to countries with frictionless travel and health and safety capability.

On behalf of the Board, I thank CEO John O'Sullivan and his Senior Management team for leading the Group through another demanding year. The Board's acknowledgement and appreciation extends to all team members for their significant efforts and commitment to our business during these testing and uncertain times.

Our appreciation also goes to our customers, trading partners, shareholders and all stakeholders for their ongoing support of the EXP Group in these unprecedented times.

I thank my fellow Board members for their commitment and contribution to the EXP business during the year.

I am confident that the business will emerge from the pandemic in a position of strength, ready to capitalise on more opportunities in the future. The Group looks forward to growing our adventure experiences and delivering shareholder value into 2022 and beyond.

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